

Setting up of Coal Based Fertilizer Plant

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*308. SHRI PIUS TIRKEY:

SHRI SHYAM SUNDAR
GUPTA:

Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government of India have since finalised the proposal for setting up of a coal based fertiliser plant in the country;

(b) if so, broad outlines of the proposal;

(c) whether the site has also been selected; and

(d) the funds allocated for the purpose?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): (a) and (b). Two large sized fertilizer plants based on coal are already under implementation at Ramagundam (A.P.) and Talcher (Orissa). The capacity of each is 900 tpd ammonia and 1500 tpd Urea, (i.e. 2,28,000 tonnes per annum of Nitrogen). The setting up of additional fertilizer capacity based on coal as feedstock will be considered only after experience becomes available on the operation of these two coal based plants in the country. Trial production of urea in these two plants is expected by July, 1979.

(c) Does not arise.

(d) Does not arise.

SHRI PIUS TIRKEY: I would like to know from the hon. Minister whether it is a fact that nearly all our fertiliser plants other than coal based are facing interruption of production due to disruption in the supplies of coal and naphtha and that the losses already exceed Rs. 6 crores. May I also know whether it is a fact that the Commis-

sioning of new plants has been delayed which has resulted in further cost escalation to the tune of more than Rs. 2 crores?

SHRI H. N. BAHUGUNA: It is true that the cost estimated in the original project has gone up due to a number of reasons which have been caused due to delay in the commissioning of the plant. I could not really understand the first part of the question. If he repeats it, I will answer it.

SHRI PIUS TIRKEY: My question was whether it is a fact that nearly all our fertiliser plants other than coal based are facing interruption of production due to disruption in the supplies of coal and naphtha and that losses already exceeded Rs. 6 crores.

SHRI H. N. BAHUGUNA: It does happen sometimes that there is disruption in the supply of coal or naphtha. But I cannot off hand say what really has been the loss in a particular period of time, because the hon. Member has been asking too generally. He asks whether the losses exceed Rs. 5 crores. I do not know what he means by that. He has not been clear, with reference to which period he is asking that.

SHRI PIUS TIRKEY: Is it a fact that the loss in the two plants at Bhatinda and Panipat so far is estimated at 15000 tonnes due to the disruption in supplies of coal and naphtha and that the Nangal plant suffered a loss of Rs. 4 crores?

SHRI H. N. BAHUGUNA: It is admitted that there has been loss due to non-supply of coal and naphtha in both the plants.

SHRI M. ARUNACHALAM: The House may be aware of the fact that the planning Commission Deputy Chairman Shri Lakdawala has stated that decentralisation in chemical industry is quite essential. Nearly 40 per cent of the chemical products come from Maharashtra and Gujarat. In

view of this fact, will the Government come forward here after for the setting up of a new plant in under-developed States like Tamilnadu?

SHRI H. N. BAHUGUNA: This is a limited question regarding coal-based fertilizer plants. But I may say that the Government's policy is to put up industries in the best possible locations from the totality of the economic angle.

SHRI S. R. DAMANI: There is short supply of fertilizers and we have to import fertilizers, paying a high price. In view of this I want to ask the Hon. Minister whether he is suspicious about the outcome of the two coal-based fertilizer plants which are under construction. If so, I would like to know whether permission was given only after thorough scrutiny or not and, if it was after thorough scrutiny, what is the difficulty in sanctioning further coal-based plants—because coal is amply available. Secondly, I would like to know whether some schemes have been kept ready so that, as soon as production form these two projects becomes available, they can immediately go ahead with those schemes.

SHRI H. N. BAHUGUNA: At the point of time when this coal-based fertilizer plant was sanctioned by the previous Government, alternate sources of feed-stock like Bombay High gas were not available. Right now, Government propose to invest or try to, put in all their resources in building fertilizers plants based on Bombay High gas which we have in a sufficient and large quantity and which is a cheaper method of producing fertilizers—much cheaper than that of non-coal based technology. Therefore, after these two projects are over and after we have exhausted our gas based feedstock for the fertilizer plants, it is only at that point of time that we will have a coal-based plant, excepting for Corba on which the previous Government has partly spend some money, to which the Government perhaps will have to give some serious thinking.

SHRI M. S. SANJEEVI RAO: Our Hon. Minister is a very efficient and competent Minister, the way he is tackling fertilizer factories based on gas. But he must be aware that we are already short of nearly 1.2 million tonnes of fertilizers, and he is very well aware of how hard he is struggling to get some more oil from different countries. In this background I would like to ask why he is giving a step-motherly treatment to Talcher plant which, I understand, is going through a crisis because he is not able to provide sufficient funds.

SHRI H. N. BAHUGUNA: The Hon. Member, I am happy, has deep public interest in putting his question, but I regret to say it is mis-placed—because Talcher has never suffered. This Government has not, even for a moment, let Talcher or Ramagudem suffer for want of funds. The planning of these two plants done by the previous Government left much to be desired. We inherited the legacy and we are trying to fulfil it.

SHRI D. AMAT: May I know from the hon. Minister whether the Government of Orissa has sent any proposal for setting up a coal-based fertilizer plant in the Ib basin of Orissa?

MR. SPEAKER: That does not arise.

SHRI H. N. BAHUGUNA: Well, Sir, every Government is asking for all times something or other. I am not sure whether the Orissa Government has asked one more plant. But I have advised the Orissa Government to keep on praying that we get a lot of gas in the Mahanad area so that we can put up gas based fertilizer plant in that area.

Regarding starred Question No. 390

MR. SPEAKER: Next question, viz. Q. No. 399 has been transferred to Finance Ministry.